

DEPARTMENT OF FINANCIAL INSTITUTIONS
MINUTES OF MEETING
APRIL 13, 2000

The Members of the Department of Financial Institutions met at 9:00 a.m., EST, at 402 West Washington Street, Room W-066, Indianapolis, Indiana, on Thursday, April 13, 2000. Members present were Norman L. Lowery, Chairman; Gary M. Smith, Vice Chairman; Tony Zaleski, Ronald E. Depasse, Loretta M. Burd, David D. Baer and James L. Saner. Also present from the Department were Charles W. Phillips, Director; J. Philip Goddard, Chief Counsel, Deputy Director, Non-Depository Institutions and Secretary; James M. Cooper, Deputy Director, Depository Division; Kirk J. Schreiber, Senior Bank Analyst; Gina R. Williams, Senior Bank Analyst; Mark K. Powell, Supervisor, Credit Union Division, Mark Tarpey, Division Supervisor, Consumer Credit Division; Chuck T. Stumpf, Deputy Director, Administration Division and Ronda Bailey, Administrative Assistant. Kerry Spradlin was a visitor from the Indiana Bankers Association.

I. EXECUTIVE SESSION

Special Counsel of Consumer Policy, Lisa Hayes, of the Attorney Generals Office, made a presentation concerning pending litigation against the Department of Financial Institutions. Questions were entertained and future plans and strategy were discussed.

II. PUBLIC SESSION

- A.) Executive Session: There is no action to be taken in the Public Session. The presentation was for informational purposes only. Attending the Executive Session were the Members, Director Charles Phillips, Legal Counsel Phil Goddard, Consumer Credit Supervisor Mark Tarpey, Legal Assistant Chris McKay and Administrative Assistant Ronda Bailey.
- B.) Attendance
- C.) Date of next meeting: May 11, 2000 @ 9:00 a.m.
- D.) A motion was made for approval of the minutes of the meeting held February 10, 2000 by Mr. Saner and was seconded by Mrs. Burd. **The minutes were unanimously approved.**

CREDIT UNION DIVISION

- 1.) **HOOSIER HILLS CREDIT UNION, BEDFORD, LAWRENCE COUNTY, INDIANA**
This application was presented by Mark K. Powell, Supervisor, Credit Union Division. Hoosier Hills Credit Union has applied to the Members of the Department of Financial Institutions for approval of a proposed merger of Link Employees Federal Credit Union (LEFCU), Salem, Washington County, Indiana into Hoosier Hills Credit Union (HHCUC).

This is a voluntary merger entered into by the Board of Directors of LEFCU to provide more complete and sophisticated services of HHCU to the membership of LEFCU.

Mr. Powell explained that the merger would have little or no effect upon the balance sheet of HHCU, and that the merger should enhance HHCU and the membership of LEFCU.

Mrs. Burd asked whether there was another federal credit union in Indiana that had a similar name to LEFCU. Mr. Powell replied that there was a Link Federal Credit Union in Indianapolis and that the similarity of the names had caused some confusion with the federal regulator (NCUA).

Mr. Smith made a motion for approval which was seconded by Mrs. Burd. The motion to approve the voluntary merger of Link Employees Federal Credit Union into Hoosier Hills Credit Union was unanimously approved.

DIRECTOR'S COMMENTS AND REQUESTS

- A.) Rick Bane, Supervisor of the southern district of Indiana, was to give a summary and recap of pending issues and problems experienced in the consumer credit area. Mr. Bane was unable to attend the meeting, therefore, this item will be presented at the May 11, 2000 meeting.
- B.) Deputy Director James Cooper informed the Members of problems with general corporations being organized with the word "**Bank**" in the corporate name. These corporations have not been approved by the Department and therefore are in violation of IC 28-1-20-4. Mr. Cooper informed the Members there are approximately 40 of these "unauthorized" banks, a majority of which were incorporated by one individual. These corporations are being sold via the Internet and several of them are representing themselves as legitimate banking organizations chartered by the state of Indiana. The Department has issued Temporary Orders to Cease and Desist to 35 of these entities and a hearing has been scheduled for April 27, 2000, at 10:00 a.m. in the board room of the Department. Those corporations that have not changed their name by the hearing date to comply with the statute will be judicially dissolved. Mr. Cooper stated that he and Phil Goddard met with Rebecca Longfellow, Deputy Director of the Secretary of State's office, to try to prevent this from happening again.
- C.) **Michigan City Savings & Loan Association's, Michigan City, Laporte County, Indiana**
On February 14, 2000, Michigan City Savings & Loan Association's, notified the Department of its intent to establish a qualifying subsidiary to be known as City Savings Financial Services, Inc., as permitted in IC 28-15-9. **This item was for informational purposes only.**
- D.) **Friendship State Bank, Friendship, Ripley County, Indiana**

On February 15, 2000, Friendship State Bank, notified the Department of its intent to establish a qualifying subsidiary to be known as Friendship Financial Services, L.L.C., as permitted in IC 28-13-16. **This item was for informational purposes only.**

E.) **PACESETTER BANK, HARTFORD CITY, BLACKFORD COUNTY, INDIANA**

The bank notified the Department that they closed the branch banking office that was known as the **"Pennville Branch"** on February 18, 2000. The branch was located at 255 North Union Street, Pennville, Jay County, Indiana. **This item was for informational purposes only.**

F.) Director Phillips will advise the Members of actions taken pursuant to Delegated Authority. Mr. Phillips asked for any questions or clarifications of the actions, which are as follows:

DIVISION OF BANK AND TRUST COMPANIES

1.) **FARMERS AND MERCHANTS BANK, LAOTTO, NOBLE COUNTY, INDIANA**

The bank has applied for approval to relocate a branch banking office from **4084 North U.S. 33, Churubusco, Whitley County, Indiana** to a newly constructed branch facility to be located at **9309 East Commerce Drive, Churubusco, Whitley County, Indiana**. The application was received on January 14, 2000. The bank purchased the land for approximately \$228M. Construction of the building is estimated to cost \$570M. Furniture, fixtures and equipment costs are approximated at \$25M. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank intends to let the lease expire on the current location and move to the proposed location on June 1, 2000. The bank's three-year average ROA is 0.96%. As of September 30, 1999, the Tier I leverage capital ratio is 8.73%. The investment in total fixed assets to total capital will increase from 14.99% before the proposed relocation to 35.35% following the relocation of the branch. **The Director approved this on February 11, 2000, under Delegated Authority.**

2.) **NATIONAL BANK, KILLEEN, BELL COUNTY, TEXAS**

An application for issuance of a certificate of admission was received from National Bank. National Bank filed the application to enable it to transact business in the State of Indiana in accordance with the provisions of IC 28-1-22. National Bank is a national banking association headquartered in the State of Texas. TCF National has filed an application because they intend to originate 1st mortgages over the Internet. These mortgages may include individuals in the State of Indiana. National will not have a physical branch location in the state. The loans will be closed at title companies in the state. National has appointed CT Corporation Systems, One North Capital Avenue, Indianapolis, Marion County, Indiana, as resident agent for service of legal process. **A Certificate of Admission was issued by the Director on February 11, 2000, under Delegated Authority.**

3.) **PEOPLES TRUST & SAVINGS BANK, BOONVILLE, WARRICK COUNTY,**

INDIANA

The bank has applied to the Department for permission to amend Article 3 of its Articles of Incorporation. The amendment will establish a minimum of five (5) directors and a maximum of eleven (11) directors. The exact number of directors shall be determined by the shareholders at their annual meetings and their term of office shall be one year. The effective date of the amendment will be the date the Articles of Amendment are filed with the Secretary of State. **The Director approved this on February 11, 2000, under Delegated Authority.**

4.) DUPONT STATE BANK, DUPONT, JEFFERSON COUNTY, INDIANA

The bank has applied to the Department for permission to amend Article 5 of its Articles of Incorporation. The amendment will establish a minimum of three (3) directors and a maximum of nine (9) directors. The exact number of directors shall be determined from time to time in such a manner as the by-laws may prescribe. The effective date of the amendment will be the date the Articles of Amendment are filed with the Secretary of State. **The Director approved this on February 11, 2000, under Delegated Authority.**

5.) THE FARMERS BANK, FRANKFORT, CLINTON COUNTY, INDIANA

The bank has applied for approval to establish a branch banking office at **2304 North Lebanon Street, Lebanon, Boone County, Indiana**. The application was received on January 28, 2000. The bank purchased the land for \$275,000. They intend to tear down the current structure on the land and construct a new 6,000 square foot building. The cost to demolish the current building and build the branch facility is projected at \$1,300,000. Furniture, fixtures, and equipment costs are approximated at \$510,000. No insider relationship exists between any of the insiders of the bank and any of the parties involved. The bank's three-year average ROA is 1.34%. As of September 30, 1999, the Tier 1 leverage capital ratio is 10.76%. The investment in total fixed assets to total capital will increase from 17.05% to 23.20%. This will be the bank's eighth branch. **The Director approved this on February 17, 2000, under Delegated Authority.**

6.) THE FRIENDSHIP STATE BANK, FRIENDSHIP, RIPLEY COUNTY, INDIANA

The bank has applied for approval to establish a branch banking office at **430 West US 50, Versailles, Ripley County, Indiana**. The branch will be known as the **"Versailles Branch of the Friendship State Bank."** The bank is proposing to construct a new branch using the same plans which were used for the branch established in Rising Sun, Indiana, which was approved on March 31, 1997. Land cost will be \$55,000, construction of the building is projected at \$550,000, and furniture, fixtures, and equipment are projected to be \$212,000. No insider relationships exist between any insiders of the bank and any of the parties involved. The bank's three-year average ROA is 1.10%. As of December 31, 1999, the Tier 1 leverage capital ratio is 7.35%. The investment in total fixed assets to total capital will increase from 35.68% to approximately 48.51%. This will be the bank's fourth branch. **The Director approved this on March 10, 2000, under Delegated Authority.**

7.) SAND RIDGE BANK, HIGHLAND, LAKE COUNTY, INDIANA

The bank has applied to the Department for approval to establish a branch banking office to

be located at **9632 Cline Avenue, Highland, Lake County, Indiana**. The branch is to be located inside of the Strack & Van Til Supermarket at this location. The application was received on March 6, 2000, and the branch is to be known as **Sand Ridge Bank**. The space will be leased from Strack and Van Til Super Market, Inc. The lease term is for five years with four, five-year renewal options. The annual rental fee is \$18,000 for the first five years including utilities and other costs. The rental for each successive five-year renewal term is to be negotiated by the parties prior to the option period being exercised. Samuel N. Van Til is a director of the bank and one of the owners of Strack & Van Til Super Market, Inc., the lessor of the branch. After a review of the lease agreement and comparable transactions, the lease is considered to have been negotiated at arms length. The estimated cost for furniture, fixtures, and equipment is \$191M and leasehold improvements are estimated at \$150M. The bank's three-year average ROA is 1.17%. As of December 31, 1999, the Tier 1 leverage capital ratio is 7.39%. The investment in total fixed assets to total capital will increase from 12.27% before the proposed branch to 12.97% after the investment in the branch. This will be the institution's fifth branch. **The Director approved this on March 28, 2000, under Delegated Authority.**

8.) **UNITED COMMERCE BANK, BLOOMINGTON, MONROE COUNTY, INDIANA**

The bank, a newly chartered commercial bank approved by the DFI on October 14, 1999, and opened for business on January 31, 2000, has applied to establish a mobile branch. The application was received on March 13, 2000. As contemplated in their formation application, the bank's primary competitive disadvantage would be the lack of convenient branch locations. Therefore, the bank intends to operate a mobile branch to provide convenience for its customers. The service will be targeted to professional offices and individuals. The mobile branch will service Monroe County locations only.

The bank will utilize one bonded driver and one unmarked automobile with a small fire resistant safe bolted to the floor. The automobile will be equipped with a cellular phone and an alarm system. Customers will sign a contract for the service. Clients will utilize sealed, tamper-proof, disposable depository bags to transmit their transactions. A cash limit of \$500 per pick up will be enforced. A detailed tracking system will be implemented in order to establish an audit trail. The bank will maintain the appropriate insurance coverage, bond, crime, general liability and automobile comprehensive, to ensure the safety of customer deposits and transactions in transit. The applicant has complied with all of the statutory requirements of IC 28-2-13. **The Director approved this on March 28, 2000, under Delegated Authority.**

9.) **STAR FINANCIAL BANK, ANDERSON, MADISON COUNTY, INDIANA**

The bank has applied to the Department for approval to establish a branch banking office to be located at **5760 Coventry Lane, Fort Wayne, Allen County, Indiana**. The application was received on March 14, 2000, and the branch is to be known as **Coventry Lane**. The bank is proposing to construct a 2,550 square foot branch. The cost for the land is \$267,000. The estimated cost to construct the building is \$632,000 and the estimated cost for furniture, fixtures, and equipment is \$100,000. The bank's three-year average ROA is 0.84%. As of December 31, 1999, the Tier 1 leverage capital ratio is 7.79%. The investment in total fixed

assets to total capital will increase from 23.84% before the proposed branch to 24.92% after the investment in the branch. This will be the institution's fortieth branch. **The Director approved this on March 28, 2000, under Delegated Authority.**

DIVISION OF CREDIT UNIONS

1.) **INDIANA TELCO CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA**

The credit union has filed a request for approval of a Petition for Approval of Proposed Amendment To the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

American Accounts Management, Inc. – Indianapolis – 9 members (common bond of occupation as defined by 28-7-1-10)

Shred-It of Indiana – Indianapolis – 19 members (common bond of occupation as defined by 28-7-1-10)

Advantage Fitness – Fishers – 12 members (common bond of occupation as defined by 28-7-1-10)

Abacus Computer Services – Indianapolis – 43 members (common bond of occupation as defined by 28-7-1-10)

T.O.U.G.H., Inc. – Indianapolis – 33 members (common bond of occupation as defined by 28-7-1-10)

Central Indiana Chapter of the Chartered Property Casualty Underwriter Society – Indianapolis – 600 members (common bond of professional association as defined by 28-7-1-10)

Trimeridian, Inc. – Indianapolis – 50 members (common bond of occupation as defined by 28-7-1-10)

Weight Watchers of Central Indiana, Inc. – Carmel – 350 members (common bond of occupation as defined by 28-7-1-10)

Kender Communications, Inc. – Indianapolis – 7 members (common bond of occupation as defined by 28-7-1-10)

Central Indiana Hardware Company, Inc. – Fishers – 99 members (common bond of occupation as defined by 28-7-1-10)

Chapel Hill Barber And Beauty Salon – Indianapolis – 2 members (common bond of occupation as defined by 28-7-1-10)

Premier Solutions, Inc. – Indianapolis – 39 members (common bond of occupation as defined by 28-7-1-10)

Greenbriar Athletic Club – Indianapolis – 35 members (common bond of occupation as defined by 28-7-1-10)

The Director approved this on February 22, 2000, under Delegated Authority.

2.) **INDIANA MEMBERS CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA**

The credit union has filed a request for approval of a Petition for Approval of Proposed Amendment To the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

American Academy of Osteopathy – Indianapolis – 7 members (common bond of occupation as defined by 28-7-1-10)

Jobe's Motor Service, Inc. – Brownsburg – 13 members (common bond of occupation as defined by 28-7-1-10)

Lester Sales Company, Inc. – Indianapolis – 33 members (common bond of occupation as defined by 28-7-1-10)

Little Sisters of the Poor, St. Augustine Home for the Aged – Indianapolis – 90 members (common bond of occupation as defined by 28-7-1-10)

St. Paul's Episcopal Church – Indianapolis – 17 members (common bond of occupation as defined by 28-7-1-10)

Vencor Hospital Indianapolis – Indianapolis – 130 members (common bond of occupation as defined by 28-7-1-10)

Pets.com – Greenwood – 30 members (common bond of occupation as defined by 28-7-1-10)

The Home Service Store – Indianapolis – 49 members (common bond of occupation as defined by 28-7-1-10)

The Director approved this on February 28, 2000, under Delegated Authority.

3.) TEACHERS CREDIT UNION, SOUTH BEND, ST. JOSEPH COUNTY, INDIANA

The credit union has filed a request for approval of a Petition for Approval of Proposed Amendment To the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

Haywood Construction, Inc. – Greencastle – 5 members (common bond of occupation as defined by 28-7-1-10)

Mark's Service Group – Elkhart – 4 members (common bond of occupation as defined by 28-7-1-10)

Future-Tech Designs – Elkhart – 5 members (common bond of occupation as defined by 28-7-1-10)

Dana Corporation/AEC – Elkhart – 500 members (common bond of occupation as defined by 28-7-1-10)

ATM Specialists, Inc. Armored Security Division – Valparaiso – 7 members (common bond of occupation as defined by 28-7-1-10)

Flint Complete Personnel Services – South Bend – 50 members (common bond of occupation as defined by 28-7-1-10)

South Bend – 12 members (common bond of occupation as defined by 28-7-1-10)

Riverbend Electric, Inc. – South Bend – 5 members (common bond of occupation as defined by 28-7-1-10)

TRANSPO – South Bend – 125 members (common bond of occupation as defined by 28-7-1-10)

BriMo Ventures L.L.C. – South Bend – 2 members (common bond of occupation as defined by 28-7-1-10)

Maternowski's Flower and Garden Center – South Bend – 4 members (common bond of occupation as defined by 28-7-1-10)

The Institute for Neighborhoods, Inc. – South Bend – 1 member (common bond of occupation as defined by 28-7-1-10)

Kestler Engineering – Indianapolis – 2 members (common bond of occupation as defined by 28-7-1-10)

The Director approved this on February 28, 2000, under Delegated Authority.

4.) GENERAL CREDIT UNION, FORT WAYNE, ALLEN COUNTY, INDIANA

The credit union has filed a request for approval of a Petition for Approval of Proposed Amendment To the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

Exectop, Inc. – Fort Wayne – 3 members (common bond of occupation as defined by 28-7-1-10)

The Director approved this on March 7, 2000, under Delegated Authority.

5.) TECH CREDIT UNION, CROWN POINT, LAKE COUNTY, INDIANA

The credit union has filed a request for approval of a Petition for Approval of Proposed Amendment To the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

Hawkins Excavating, Inc. – Crown Point – 3 members (common bond of occupation as defined by 28-7-1-10)

Schereville Appliance Co., Inc. – Crown Point – 2 members (common bond of occupation as defined by 28-7-1-10)

Northeastern Eagle Vault – Joliet, Illinois – 4 members (common bond of occupation as defined by 28-7-1-10)

Ron's Marathons, Inc. – Crown Point – 30 members (common bond of occupation as defined by 28-7-1-10)

CM HealthCare Resources, Inc. – Northbrook, Illinois – 41 members (common bond of occupation as defined by 28-7-1-10)

Fusion Aetek UV Systems, Inc. – Romeoville, Illinois – 61 members (common bond of occupation as defined by 28-7-1-10)

The Rainbow's End (Child Trauma Center) – Matteson, Illinois – 19 members (common

bond of occupation as defined by 28-7-1-10)

Scott Fabricating, Inc. – Gary – 9 members (common bond of occupation as defined by 28-7-

The Director approved this on March 13, 2000, under Delegated Authority.

6.) TELCO CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA

The credit union has filed a request for approval of a Petition for Approval of Proposed Amendment To the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

Knight Transportation, Inc. – Indianapolis – 200 members (common bond of occupation as defined by 28-7-1-10)

Flynn & Zinkan Realty Co. – Indianapolis – 8 members (common bond of occupation as defined by 28-7-1-10)

Flynn & Zinkan Construction Co. – Indianapolis – 6 members (common bond of occupation as defined by 28-7-1-10)

Orthopaedics Indianapolis, P.C. – Indianapolis – 400 members (common bond of occupation as defined by 28-7-1-10)

Morgan & Associates, Inc. – Noblesville – 58 members (common bond of occupation as defined by 28-7-1-10)

Escient Convergence Group, Inc. and Tom Doherty, Inc. – Carmel – 65 members (common bond of occupation as defined by 28-7-1-10)

Roche Diagnostics Corporation – Indianapolis – 2,907 members (common bond of occupation as defined by 28-7-1-10)

Associated Industrial Rubber – Indianapolis – 8 members (common bond of occupation as defined by 28-7-1-10)

Harrington Ross Associates – Indianapolis – 4 members (common bond of occupation as defined by 28-7-1-10)

The Farnsworth Group/Stone Research Services – Indianapolis – 70 members (common bond of occupation as defined by 28-7-1-10)

Cruz-Cell, Inc. – Indianapolis – 59 members (common bond of occupation as defined by 28-7-1-10)

Atlas Sign Co., Inc. – Indianapolis – 35 members (common bond of occupation as defined by 28-7-1-10)

Support Net, Inc. – Indianapolis – 245 members (common bond of occupation as defined by 28-7-1-10)

J.C. Hart Co., Inc. – Indianapolis – 50 members (common bond of occupation as defined by 28-7-1-10)

The Director approved this on March 23, 2000, under Delegated Authority.

7.) INDIANA TELCO CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA

The credit union has filed a request for approval of a Petition for Approval of Proposed Amendment To the Articles of Incorporation. Pursuant to IC 28-7-1-7 (which allows a credit union to change its' corporate name) this amendment would change the corporate name of the credit union to the following:

FORUM Credit Union

The Director approved this on March 23, 2000, under Delegated Authority.

8.) HOOSIER HILLS CREDIT UNION, BEDFORD, LAWRENCE COUNTY, INDIANA

The credit union has filed a request for approval of a Petition for Approval of Proposed Amendment To the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

Paine Properties – Bloomington – 4 members (common bond of occupation as defined by 28-7-1-10)

Ruxer Ford, Lincoln, Mercury, Inc. – Jasper – 106 members (common bond of occupation as defined by 28-7-1-10)

Winkler's Natural Foods – Jasper – 4 members (common bond of professional association as defined by 28-7-1-10)

Tom's LGA/Mundy Brothers Rentals, LLC – Jasper – 14 members (common bond of occupation as defined by 28-7-1-10)

Keach & Grove Agency, Inc. – Bedford – 18 members (common bond of occupation as defined by 28-7-1-10)

The Director approved this on March 28, 2000, under Delegated Authority.

9.) WABASH COUNTY FARM BUREAU CREDIT UNION, WABASH, WABASH COUNTY, INDIANA

The credit union has filed a request for approval of a Petition for Approval of Proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-9(1) (which allows a credit union to issue shares of its capital stock to its members) this amendment would change the par value of a share to twenty-five dollars (\$25.00).

The Director approved this on March 29, 2000, under Delegated Authority.

10.) TEACHERS CREDIT UNION, SOUTH BEND, ST. JOSEPH COUNTY, INDIANA

The credit union has filed a request for approval of a Petition for Approval of Proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment Would place the following organizations into the field of membership of the credit union.

Dean Kutz, Inc./dba Midwest Irrigation – South Bend – 6 members (common bond of occupation as defined by 28-7-1-10)

Serenescapes – South Bend – 6 members (common bond of occupation as defined by 28-7-1-10)

Eagle Products, Inc. – Mishawaka – 107 members (common bond of occupation as defined by 28-7-1-10)

SIR Graphics, Inc. – Granger – 10 members (common bond of occupation as defined by 28-7-1-10)

Tack of the Town – Walkerton – 3 members (common bond of occupation as defined by 28-7-1-10)

Kosciusko Community Senior Services – Warsaw – 15 members (common bond of occupation as defined by 28-7-1-10)

C.S. McKinley & Associates, Inc. – Winona Lake – 2 members (common bond of occupation as defined by 28-7-1-10)

M&M Fabricators Corporation – Elkhart – 60 members (common bond of occupation as defined by 28-7-1-10)

Associated Mennonite Biblical Seminary – Elkhart – 50 members (common bond of occupation as defined by 28-7-1-10)

The College Network – Indianapolis – 120 members (common bond of occupation as defined by 28-7-1-10)

Topics Newspapers – Fishers – 130 members (common bond of occupation as defined by 28-7-1-10)

Avon Recreation Center – Avon – 10 members (common bond of occupation as defined by 28-7-1-10)

T.O. Enterprises, Inc. – Mishawaka – 12 members (common bond of occupation as defined by 28-7-1-10)

Allico Corporation – Granger – 10 members (common bond of occupation as defined by 28-7-1-10)

Presentation is Everything – Valparaiso – 4 members (common bond of occupation as defined by 28-7-1-10)

Association for Professional Career Development – Indianapolis – 5,000 members (common bond of professional association as defined by 28-7-1-10)

Affordable Systems, Inc. – South Bend – 3 members (common bond of occupation as defined by 28-7-1-10)

Sienna Architecture, Inc. – Carmel – 1 member (common bond of occupation as defined by 28-7-1-10)

Mortgage Doctor's – South Bend – 12 members (common bond of occupation as defined by 28-7-1-10)

The Director approved this on March 30, 2000, under Delegated Authority.

CONSUMER CREDIT DIVISION

- 1.) American Nationwide Mortgage Company, Inc. is requesting a consumer loan license.

Applicant is based in Tampa, FL. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title company/attorneys. They currently operate in seven states. Applicant is recommended for approval. **The Director approved this on March 21, 2000, under Delegated Authority.**

- 2.) Amerifund Financial, Inc. d/b/a All Fund Mortgage is requesting a consumer loan license. Applicant is based in Tacoma, WA. Loans in Indiana will be made at Schererville, IN. They will be making second mortgage loans. They will not be servicing their loans. Applicant will also be brokering loans in Indiana. They are exempt from licensing as a loan broker because of their FHA/HUD approval. They currently operate in 13 states. Applicant is recommended for approval. **The Director approved this on March 21, 2000, under Delegated Authority.**
- 3.) Creditland Mortgage.com, Inc. is requesting a consumer loan license. Applicant is based in Woodbury, NJ. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by a title company. They currently operate in 12 states. Applicant is recommended for approval. **The Director approved this on March 21, 2000, under Delegated Authority.**
- 4.) First NLC Financial Services, LLC is requesting a consumer loan license. Applicant is based in Deerfield Beach, FL. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title company/attorneys. The principals of business have been licensed with DFI under National Lending Center, Inc. (LL #1346) since 7/97. Restructuring of the entity's parent necessitates the new license application. They currently operate in 13 states. Applicant is recommended for approval. **The Director approved this on March 21, 2000, under Delegated Authority.**
- 5.) InterStar Mortgage Corporation is requesting a consumer loan license. Applicant is based in Dallas, TX. They will be making second mortgage loans. They will not be servicing their loans. Principals are currently licensed with DFI under Acubanc Mortgage Corp (LL #1664) since 1/98. Restructuring of this entity has necessitated the new license application. Loans will be closed by title company/attorneys. They are a new entity and have applied in all states. Applicant is recommended for approval. **The Director approved this on March 21, 2000, under Delegated Authority.**
- 6.) North American Mortgage Company d/b/a Lendever Home Loans is requesting a consumer loan license. Applicant is based in Tampa, FL. Loans in Indiana will be made in Greenwood and Indianapolis. They will be making second mortgage loans. They will be servicing their loans. They currently operate in 46 states. Applicant is a subsidiary of a New Jersey state chartered bank, Hudson United Bank known as Dimebank after 3/1/2000. Applicant is recommended for approval. **The Director approved this on March 21, 2000, under Delegated Authority.**
- 7.) NovaStar Mortgage, Inc. is requesting a consumer loan license. Applicant is based in Westwood, KS. They will be making second mortgage loans. They will be servicing their

- loans. They currently operate in 50 states. Applicant is recommended for approval. **The Director approved this on March 21, 2000, under Delegated Authority.**
- 8.) Western Home Mortgage Corporation is requesting a consumer loan license. Applicant is based in Irvine, CA. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title company/attorneys. They currently operate in 3 states. Applicant is recommended for approval. **The Director approved this on March 21, 2000, under Delegated Authority.**
- 9.) Clarity, Inc. d/b/a United Check Cashing is requesting a check cashier license. Applicant is based in Indianapolis. They will be cashing all types of checks. All references were satisfactory. Fee will be 1.5% Payroll, 2.0% Government, and 10% Personal. Applicant is recommended for approval. **The Director approved this on March 21, 2000, under Delegated Authority.**
- 10.) Advantage Pawnors & Jewelers, L.L.C. is requesting a pawnbroker license. Applicant is based in Deerfield, IL. Pawns in Indiana will be made at Hammond. They currently operate in Chicago, IL and manage the existing pawnbroker. The manager has 9 years experience in pawnbroking. All references were satisfactory. There is one other pawnbroker in Hammond on the north side. Applicant will be on south side. Field Supervisor Benbow and Division Supervisor Tarpey interviewed applicants who are "members" of LLC. They are father & son. Applicant appears fully willing and able to comply with state requirements and to cooperate with local authorities. Applicant is recommended for approval. **The Director approved this on March 21, 2000, under Delegated Authority.**
- 11.) The Evergreen Organization, Inc. is requesting approval as third party administrator for a Guaranteed Auto Protection (GAP) Program. Applicant is based in Chester Springs, PA. The free look period is 60 days. Customer deductible is covered up to \$1,000. Maximum cost to the customer will be \$395. If customer prepays their credit agreement, refund of unearned GAP will use Rule of 78'ths. There is a contractual liability policy issued by Reliance Insurance Company. The initial dealer requesting approval is NATCO Credit Union. Thirty GAP agreements were written by NATCO prior to approval. Customers will be given a new free look period if no claim has been submitted. Charge to customers was less than maximum submitted. All future dealers will agree to abide by the same terms as those approved. Approval is subject to review at a future date as deemed necessary by the Department. It is recommended that the program be approved as submitted and subject to the above conditions. This is provided for under IC 24-4.5-2-202 (1)(c). **The Director approved this on March 21, 2000, under Delegated Authority.**
- 12.) Great American Insurance Company is requesting approval as third party administrator for a Guaranteed Auto Protection (GAP) Program. Applicant is based in Cincinnati, OH. The free look period is 60 days. Customer deductible is covered up to \$1,000. Maximum cost to customer is \$325. No refund to customer if account is prepaid. 382 GAP agreements were written by various credit unions prior to approval of the program. Great American will

send letter to customers giving them a new free look period, if no claim has been submitted. Charge to customers was less than maximum submitted. There is a contractual liability policy issued by Great American Insurance. The initial dealer requesting approval is General Credit Union. All future dealers will agree to abide by the same terms as those approved. Approval is subject to review at a future date as deemed necessary by the Department. It is recommended that the program be approved as submitted and subject to the above conditions. This is provided for under IC 24-4.5-2-202 (1)(c). **The Director approved this on March 21, 2000, under Delegated Authority.**

There being no further business to come before the Members, a motion to adjourn the meeting was made by Mr. Depasse and seconded by Mr. Smith. The motion was unanimously approved.

CERTIFICATION

The Department certifies that the business discussed in the Executive Session was limited only to business that was set out in the Department's Notice of Meeting and Agenda under the heading of "Executive Session." All action taken by the Department, if any, relating to the business discussed in the Executive Session was conducted in the Public Session.

APPROVED:

ATTEST:

Norman L. Lowery, Chairman

J. Philip Goddard, Secretary